

Message Text

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ACTION XMB-04

INFO OCT-01 AF-08 EUR-12 ISO-00 AGRE-00 CIAE-00 COME-00
EB-07 INR-07 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01
FRB-03 OMB-01 AID-05 USIA-06 OPIC-03 NEA-10 /074 W
-----131300Z 029223 /46
R 131140Z JAN 77
FM AMEMBASSY KHARTOUM
TO SECSTATE WASHDC 3381
INFO AMEMBASSY BERLIN

LIMITED OFFICIAL USE KHARTOUM 0121

E.O. 11652: N/A
TAGS: EFIN, BEXP, SU, GE
SUBJECT: MAJOR PROJECT: BLUE NILE SPINNING MEDANI

REF: (A) KHARTOUM 091 (B) 76 KHARTOUM 2845

1. FATH AL RAHMAN AL BESHIR, CHAIRMAN OF SHARAF GROUP OF INDUSTRIES AND OPERATOR OF BLUE NILE SPINNING MEDANI, SUDAN'S THIRD LARGEST TEXTILE PLANT, TOLD ECONOFF JAN 10 THAT \$25 MILLION SPINNING EXPANSION WOULD BE CARRIED OUT BY AMERICAN FIRMS. BESHIR IS CURRENTLY BUILDING ANOTHER AMERICAN-EQUIPPED SPINNING MILL IN PORT SUDAN (SEE REFTEL A). ORIGINALLY HE HAD PLANNED TO USE EAST GERMAN TEXTILE EQUIPMENT. GDR HAD AGREED TO SEMI-TURNKEY CONTRACT FOR \$20 MILLION FOB WITH SUPPLIER CREDITS, BUT DETAILED NEGOTIATIONS HAD DRAGGED ON FOR OVER A YEAR. MEANWHILE, BESHIR FOUND NEW SOURCE OF FINANCING SO THAT HE COULD PURCHASE PREFERRED US EQUIPMENT.

2. EURO AFRO-ASIATIC TRUST (EAAT) HAS OFFERED \$23.5 MILLION FOR 15 YEARS WITH FOUR YEARS GRACE. SECURITY WILL BE PROMISSARY NOTES AND FIRST CLASS MORTGAGE ON PLANT. THERE WILL BE NO BANK GUARANTEE. APPROVAL OF
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THIS FINANCING BY SUDANESE MINFIN EXPECTED THIS WEEK.

3. SPRINGER ENGINEERING (USA) WILL DESIGN PLANT AND AMATEX ON SEMI-TURNKEY BASIS WILL BE CONTRACTOR. AMATEX HAS QUOTED \$23.5 MILLION; 18 PERCENT ON SIGNING, 72 PERCENT ON SHIPPING DOCUMENTS AND 10 PERCENT UPON COMPLETION. CITIBANK AGREED TO ACT AS TRUSTEE FOR

EAAT FINANCING WITH IRREVOCABLE INSTRUCTIONS. EAAT
WILL DEPOSIT LOAN PRINCIPAL WITH CITIBANK UPON DELIVERY
OF "FIRST CLASS MORTGAGE."

4. COMMENT: EXIM FINANCING OF READ SEA SPINNING MILL
HAS PROVIDED ENTREE FOR US TEXTILE MACHINERY MANUFACTURERS
INTO MARKET. PREFERENCE IS FOR AMERICAN EQUIPMENT,
BUT FINANCING MUST BE FOUND. BESHIR AND HIS SHARAF
GROUP OF INDUSTRIES HAVE PROVED THEMSELVES MOST ADEPT
IN PROJECT FINANCING. BESHIR ALSO IS IN ADVANCED
NEGOTIATIONS FOR 400,000 TON CEMENT PLANT IN PORT
SUDAN TO EXPORT TO ARAB WORLD AND IS ONE OF SUDANESE
PARTNERS IN SAUDI PRINCE MOHAMED FAISAL'S AMBITIOUS
AGRICULTURAL DEVELOPMENT SCHEME IN DAMAZIN (SEE REFTEL B).
BREWER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, INDUSTRIAL PLANTS, CONTRACTS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
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Litigation Codes:
Litigation History:
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Original Handling Restrictions: n/a
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Review Content Flags:
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Review Exemptions: n/a
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3608381
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: BLUE NILE SPINNING MEDANI
TAGS: EFIN, BEXP, SU, GC, US
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/741805da-c288-dd11-92da-001cc4696bcc
Review Markings:
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